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Programme budget for the biennium 2002-2003

Report of the Fifth Committee

Rapporteur: Mr. Fouad **Rajeh** (Saudi Arabia)

I. Introduction

1. The previous recommendation: made by the Fifth Committee to the General Assembly under agenda item 120 appear in the reports of the Committee contained in document A/58/572 and Add.1.

2. The Fifth Committee resumed its consideration of the item at its 31st and 39th meetings, on 10 March and 2 April 2004. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/58/SR.31 and 39).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Note by the Secretary-General transmitting the report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system (A/57/442);

(b) Note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled "Support costs related to extrabudgetary activities in organizations of the United Nations system" (A/57/442) (A/57/442/Add.1);

(c) Report of the Advisory Committee on Administrative and Budgetary Questions (A/57/434);

(d) Note by the Secretary-General transmitting the note by the Joint Inspection Unit to clarify further some of the recommendations contained in its report on support costs related to extrabudgetary activities in organizations of the United Nations system, in response to General Assembly decision 58/560 (A/58/714).

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II. Consideration of draft resolution A/C.5/58/L.58

4. At its 39th meeting, on 2 April, the Committee had before it a draft resolution entitled "Report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system" (A/C.5/58/L.58), which was submitted by the Chairman on the basis of informal consultations coordinated by the representative of Argentina.

5. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.58 without a vote (see para. 6).

III. Recommendation of the Fifth Committee

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system

The General Assembly,

Recalling its decision 58/560 of 23 December 2003,

Having considered the report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system,[1] the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination thereon[2] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[3] as well as the note by the Joint Inspection Unit[4] submitted in response to General Assembly decision 58/560, clarifying further some of the recommendations contained in its report,

1. *Concurs* with the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report,[3] subject to the provisions of the present resolution;

2. *Takes note* of the comments of the Secretary-General and those of the United Nations System Chief Executives Board for Coordination;[2]

3. *Endorses* the recommendations contained in the report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system[1] to the extent that they apply to the United Nations, subject to the provisions of the present resolution;

4. *Recognizes* that recommendations 2, 3, 5, 6, 8 and 10 are directed to executive heads, and invites executive heads to consider those recommendations;

5. *Takes note* of recommendation 1, and agrees with the Joint Inspection Unit that governing bodies should take the steps they consider necessary to ensure that extrabudgetary resources are accepted for purposes that are consistent with programme priorities and approved mandates;

6. *Also takes note* of recommendation 4, and draws the attention of legislative organs to the practice of the United Nations Children's Fund under which interest earned on some extrabudgetary contributions is retained by the Organization, and invites legislative organs to consider the applicability or relevance of this practice to them;

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[1] See A/57/442.

[2] A/57/442/Add.1.

[3] A/57/434, paras. 5 and 6.

[4] A/58/714.

7. *Further takes note* of recommendation 9, and agrees with the Joint Inspection Unit that legislative organs should enact support cost policies to ensure that extrabudgetary resources continue to be mobilized and deployed effectively so as to further the mandated activities in developmental, humanitarian and other substantive areas, and also agrees that those policies should be straightforward, transparent, easy to administer and must provide for a consistent and equitable approach to special arrangements.